



THOMAS D. MARION
TREASURER

TTX COMPANY
101 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606
(312) 853-3223
FAX (312) 984-3855

DIRECT LINE (312) 984-3821

December 2, 1992

VIA FEDERAL EXPRESS

RECORDATION NO. 8996-A

Sidney Strickland, Jr.
Secretary

DEC 3 1992 - 4:15 PM

2-338A074

Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Room 2303
Washington, D.C. 20423

Dear Mr. Strickland:

Submitted herewith for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder are five (5) certified copies of the fully executed document as follows:

Equipment Option Agreement dated as of September 15, 1986,
a secondary document supplementing the Lease of Equipment
and the Conditional Sale Agreement both dated as of August 1, 1977

Parties to this transaction are as follows:

TTX Company (Optionee)
101 North Wacker Drive
Chicago, Illinois 60606

Security Pacific Equipment Leasing, Inc. (Optionor)
Four Embarcadero Center
Suite 1200
San Francisco, CA 94111

Enclosed is our check in the amount of \$16.00 to cover filing fees.

Prior recordings pertaining to this Equipment Option Agreement being recorded are as follows:

- (1) Conditional Sale Agreement (No. 1), dated as of August 1, 1977, recorded on September 15, 1977, recordation number 8996.
- (2) Agreement and Assignment (No. 1), dated as of August 1, 1977, recorded on September 15, 1977, recordation number 8996-A.
- (3) Lease of Railroad Equipment (No. 1), dated as of August 1, 1977, recorded on September 15, 1977, recordation number 8996-B.

Dec 3 4 06 PM '92
RECEIVED

Sidney Strickland, Jr.

December 1, 1992

Page Two

- (4) Assignment of Lease and Agreement (No. 1), dated as of August 1, 1977, recorded on September 15, 1977, recordation number 8996-C.
- (5) Conditional Sale Agreement (No. 2), dated as of August 1, 1977, recorded on September 15, 1977, recordation number 8996-D.
- (6) Agreement and Assignment (No. 2), dated as of August 1, 1977, recorded on September 15, 1977, recordation number 8996-E.
- (7) Lease of Railroad Equipment (No. 2), dated as of August 1, 1978, recorded on September 15, 1978, recordation number 8996-F.
- (8) Assignment of Lease and Agreement (No. 2), dated as of August 1, 1977, recorded on September 15, 1977, recordation number 8996-G.
- (9) Amendment Agreement (No. 1), dated as of August 1, 1978, recorded on September 15, 1978, recordation number 8996-H.
- (10) Amendment Agreement (No. 2), dated as of August 1, 1978, recorded on September 15, 1978, recordation number 8996-I.

A short summary of the Equipment Option Agreement to appear in the Index is as follows:

"Equipment Option Agreement, dated as of September 15, 1986, granting TTX Company (f/k/a Trailer Train Company) the option to purchase not less than all of the remaining equipment."

Once the filing has been made, please retain one copy and return the remaining stamped counterparts to me via certified mail.

Very truly yours,



Thomas D. Marion

TDM:mak
Enclosures
8996-J

P.S.: Ms. Mildred Lee - Please call Anthony Barton at 312/984-3824 as soon as this agreement is recorded advising him of the recordation number, date and time. Thank you very much.

Interstate Commerce Commission
Washington, D.C. 20423

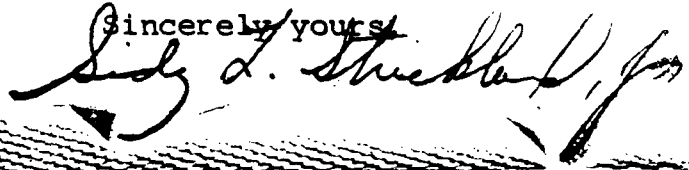
12/4/92

OFFICE OF THE SECRETARY

Thomas D. Marion
Treasurer
TTX Company
101 North Wacker Drive
Chicago, Illinois 60606

Dear
Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/3/92 at 4:15pm, and assigned re-recording number(s). 8996-J

Sincerely yours,

Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

TTX COMPANY

RECORDING 89927
FILED

OFFICER'S CERTIFICATE

DEC 3 1992 4 15 PM

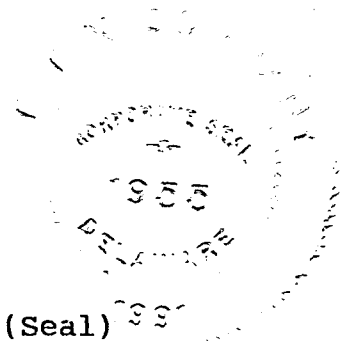
INTERSTATE COMMERCE COMMISSION

I, Thomas D. Marion, Treasurer of TTX Company, (f/k/a Trailer Train Company), DO HEREBY CERTIFY that the attached document is a true and correct copy of the original, executed Equipment Option Agreement dated as of September 15, 1986, by and between Security Pacific Equipment Leasing, Inc. and Trailer Train Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of TTX Company this 2nd day of December, 1992.

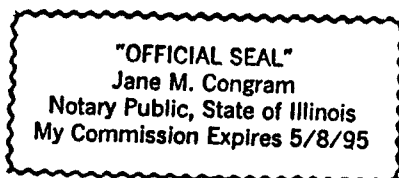


Thomas D. Marion
Treasurer



STATE OF ILLINOIS,)
) SS.:
COUNTY OF COOK,)

On this 2nd day of December, 1992, before me personally appeared Thomas D. Marion, to me personally known, who, being by me duly sworn, say that he is the Treasurer of TTX COMPANY and that the seal affixed to this instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors.



Notary Public

(Notarial Seal)

= = = = =

RECEIVED BY _____ FILED 143

DEC 3 1992 4 15 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT OPTION AGREEMENT

BETWEEN

SECURITY PACIFIC EQUIPMENT LEASING, INC.,

OPTIONOR

AND

TRAILER TRAIN COMPANY,

OPTIONEE

= = = = =

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EXHIBITS

Exhibit A
Exhibit B

Equipment Schedule
Lease Renewal Letter

EQUIPMENT OPTION AGREEMENT

EQUIPMENT OPTION AGREEMENT (the "Agreement"), dated as of September 15, 1986, by and between Security Pacific Equipment Leasing, Inc., a Delaware corporation having an address at Four Embarcadero Center, Suite 1200, San Francisco, California 94111 ("Optionor"), and Trailer Train Company, a Delaware corporation having an address at 101 North Wacker Drive, Chicago, Illinois 60606 ("Optionee").

W I T N E S S E T H :

WHEREAS, Optionor is the beneficial owner of the Equipment which is held in trust by First Security State Bank (the "Owner Trustee") under a Trust Agreement dated as of August 1, 1977 (the "Trust Estate").

WHEREAS, the Owner Trustee and Optionee have entered into a Lease of Railroad Equipment dated as of August 1, 1977 (the "Lease"), pursuant to which the Owner Trustee has leased the Equipment to Optionee.

WHEREAS, the Owner Trustee entered into a Conditional Sale Agreement No. 2 dated as of August 1, 1977 (the "Security Document") with Pullman Incorporated (Pullman Standard Division) and Bethlehem Steel Corporation (collectively the "Builders" or the "Vendor", as the context may require, all as more particularly set forth in Article 1 of the Security Document), pursuant to which security title to such Equipment was retained by the Vendor until, inter alia, the payment of all sums due under the Security Document, at which time full title to the Equipment shall vest in the Owner Trustee.

WHEREAS, the Builders assigned their interests in the Security Document pursuant to an Agreement and Assignment dated as of August 1, 1977 to First Security Bank of Utah, N.A., acting as agent (the "Agent", also the "Vendor" as defined in Article 1 of the Security Document), under a Participation Agreement dated as of August 1, 1977 with Optionee, the Owner Trustee, Optionor and the parties named in Schedule A thereto.

WHEREAS, the Owner Trustee and the Agent have entered into an Assignment of Lease and Agreement dated as of August 1, 1977 (the "Lease Assignment"), pursuant to which the Owner Trustee has assigned certain of its rights under

the Lease to the Agent as collateral security until the full discharge and satisfaction of all the Owner Trustee's obligations under the Security Document, at which time the Lease Assignment and all rights therein assigned to the Agent shall terminate, and all estate, right, title and interest of the Agent in and to the Lease shall revert to the Owner Trustee.

WHEREAS, Optionee desires to obtain an option exercisable upon expiration of the Lease to acquire all, but not less than all, of the Equipment, and to exercise its right under Section 13 of the Lease to renew the Lease for an additional four-year period and Optionor desires to issue such an option for valuable consideration.

WHEREAS, Optionor and Optionee desire to set forth the terms and conditions of such option.

NOW, THEREFORE, in consideration of the terms and covenants herein contained and the consideration to be paid by Optionee to Optionor as described herein, the parties hereto covenant and agree as follows:

ARTICLE I

Section 1.01. Definitions. Unless the context otherwise requires, Optionor and Optionee agree that all capitalized terms used herein and not defined shall have the same meanings as in the Lease, or, if not used therein, in the Security Document, and that the following terms shall have the following meanings:

(a) "Agreement Date" shall mean the date of this Agreement;

(b) "Equipment" shall mean all of the Units of railroad equipment which are under lease to Optionee under the Lease on the Agreement Date and which are described in Exhibit A hereto;

(c) "Equipment Closing Date" shall mean January 1, 1998;

(d) "Lease Renewal Letter" shall mean the letter dated the Agreement Date from Optionee to the Owner Trustee, substantially in the form attached hereto as Exhibit B, whereby Optionee presently exercises its right under Section 13 of the Lease to renew the Lease for an additional four-year period;

(e) "Option" shall mean the option granted pursuant to this Agreement and described in Section 2.01;

(f) "Option Agreement Closing" shall mean the closing in which the grant of the Option in Section 2.01 shall become effective as provided in Section 2.05;

(g) "Option Period" shall mean the period beginning on July 1, 1997 and ending November 1, 1997;

(h) "Original Purchase Price" shall mean, for each Unit of Equipment, the Purchase Price of such Unit as defined in the Lease; and

(i) "Purchase Price" shall mean the purchase price for the Equipment computed as provided in Section 4.02.

ARTICLE II

Section 2.01. Grant of Option. Optionor hereby grants, bargains and sells to Optionee, upon the terms and conditions set forth in this Agreement, an irrevocable option to purchase not less than all of the Equipment for an amount equal to the Purchase Price.

Section 2.02. Consideration for Option. As consideration for the grant of the Option, Optionee hereby agrees (i) to pay Optionor on the Agreement Date an amount equal to 1.75% of the aggregate Original Purchase Price of the Units of Equipment being leased to Optionee under the Lease on the Agreement Date and (ii) to renew the Lease for an additional four-year period by delivering the Lease Renewal Letter to the Owner Trustee and Optionor.

Section 2.03. Manner of Exercise of Option. Optionee shall have the right to exercise the Option by giving written notice of its election to exercise the Option (the "Option Notice"), in the manner herein provided, at any time during the Option Period. The Option Notice shall be given in writing and by mailing the same registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service and addressed to Optionor as follows: Security Pacific Leasing Corporation, Four Embarcadero Center, Suite 1200, San Francisco, California 94111, Attention: Equipment Department. The date corresponding to the third day after the Option Notice shall be deposited for mailing with the United States Postal Service shall be deemed to be the date of

exercise of the Option (the "Exercise Date"). If Optionee shall elect to exercise the Option as aforesaid, then the closing of the sale of the Equipment (the "Equipment Closing") shall occur on the Equipment Closing Date. Upon the exercise of the Option by Optionee and the consummation of the Equipment Closing, all options of Optionee under Section 13 of the Lease shall terminate.

Section 2.04. Failure to Exercise Option; Failure to Close. Optionor and Optionee agree that time shall be of the essence with respect to the exercise of the Option and the closing of title hereunder. If Optionee shall fail to exercise the Option during the Option Period in the manner set forth in Section 2.03 or shall fail to complete the Equipment Closing in accordance with the provisions of Article IV, the Option and this Agreement shall automatically terminate and be of no further force and effect. If the Option and this Agreement shall so terminate, Optionee, at the request of Optionor, shall execute a release of the Option and any rights of Optionee under this Agreement.

Section 2.05. Conditions for Closing This Agreement. The grant of the Option in Section 2.01 shall become effective upon (i) the execution of this Agreement by Optionee and Optionor; (ii) the receipt by Optionor of the consideration provided for in Section 2.02; (iii) the receipt by Optionor and the Owner Trustee of the Lease Renewal Letter; and (iv) the receipt by the respective parties of the opinions referred to in Sections 5.01 and 5.02 respectively.

ARTICLE III

Section 3.01. Optionor's Duty. Optionor warrants that it has not taken any action or failed to take any action nor will it take any future action which would cause a lien to attach on any Unit, other than liens contemplated in the Lease, the Trust Agreement or the Security Document described in the Lease and liens which Optionee has the duty to discharge under the Lease.

ARTICLE IV

Section 4.01. Sale and Purchase. If the Option is exercised by Optionee in accordance with the provisions of Article II, and (i) no Event of Default defined in Section 10(A) of the Lease shall have occurred and be continuing as of the Equipment Closing Date and (ii) no Event of Default defined in Section 10(B) of the Lease shall have occurred and be continuing on the Equipment Closing Date which, in the

reasonable opinion of Optionor, shall have a continuing material adverse impact on Optionor after the termination of the Lease and remain uncured at the Equipment Closing Date and (iii) no Declaration of Default shall have occurred that shall not have been remedied under the Security Document (unless attributable to an act or omission of Optionor or the Owner Trustee), then on the Equipment Closing Date Optionor shall sell (or shall cause the Owner Trustee to sell) to Optionee, and Optionee shall purchase from Optionor (or shall purchase from the Owner Trustee if the Owner Trustee is the seller), in accordance with the provisions of this Article IV, the Units of Equipment then being leased to Optionee under the Lease.

Section 4.02. Purchase Price. The Purchase Price for the Equipment shall be equal to 13% of the aggregate Original Purchase Price of the Units of Equipment being leased to Optionee under the Lease on the Equipment Closing Date.

If prior to the Equipment Closing Date any Unit of Equipment suffers a Casualty Occurrence, the consideration for the grant of the Option to Optionee for such Unit shall be credited toward the Purchase Price.

Section 4.03. Condition of the Equipment. Optionee represents that it has inspected the Equipment and agrees to purchase the same in "as is" condition, and agrees that Optionor has not made any representations or warranties as to the physical condition or any other matter affecting or relating to the Equipment.

Section 4.04. Title to the Equipment. If the Option is exercised, then, upon satisfaction of the conditions set forth in this Article IV, title to the Equipment shall be conveyed to Optionee as follows:

(a) Optionor shall execute and deliver (or shall cause to be executed and delivered) to Optionee, or to Optionee's assignee or nominee, as the case may be, one or more bills of sale transferring to Optionee, or to Optionee's assignee or nominee, title to all Units being leased under the Lease on the Equipment Closing Date on an "as is" and "where is" basis; and

(b) Such bill or bills of sale shall transfer to the Optionee such title to such Units as the Owner Trustee derived from the Builders free and clear of all liens, security interests and other encumbrances arising through

Optionor, the Owner Trustee, the Agent or the Vendor, except for liens that Optionee is responsible for or is required to clear under the fourth paragraph of Section 12 of the Lease, and free and clear of the security interest created under Article 5 of the Security Document (without any other recourse, representations or warranties).

Section 4.05. Time and Place of Closing. The Equipment Closing shall take place at the offices of Davis Polk & Wardwell, 1 Chase Manhattan Plaza, New York, New York 10005, at 10:00 o'clock in the morning, local time, on the Equipment Closing Date or at such other place, at such other time and on such other date as shall be mutually agreed upon by Optionor and Optionee.

Section 4.06. No Apportionment. All items of expense with respect to the Equipment are the obligation of Optionee under the Lease and therefore there will be no apportionment of any such items at the Equipment Closing.

Section 4.07. Closing Deliveries; Expenses. (a) Optionor shall execute and deliver on the Equipment Closing Date the following documents:

(i) Certification by a duly authorized representative of Optionor that all necessary corporate action has been taken to authorize Optionor's completion of the transactions contemplated under this Agreement;

(ii) The bill or bills of sale referred to in Section 4.04; and

(iii) An opinion of counsel to the Optionor, in form and substance satisfactory to Optionee to the effect that

(x) Optionor has full power, authority and legal right to execute and deliver the bill or bills of sale referred to in Section 4.04 of this Agreement;

(y) Optionor has duly authorized, executed and delivered such bill or bills of sale; and

(z) Such bill or bills of sale convey such title to Optionee free and clear of all liens, security interests and other encumbrances arising through Optionor, the Owner Trustee, the Agent or the Vendor, except for liens that Optionee is

responsible for or is required to clear under the fourth paragraph of Section 12 of the Lease, and free and clear of the security interest created under Article 5 of the Security Document (without any other recourse, representations or warranties).

(b) If Optionor causes the Owner Trustee to sell the Equipment to Optionee as provided under this Agreement, Optionor shall cause the Owner Trustee to execute and deliver (or, where applicable, cause to be delivered) on the Equipment Closing Date the bill or bills of sale referred to in Section 4.04. In addition, if Optionor causes the Owner Trustee to sell the Equipment to Optionee as provided under this Agreement, Optionor shall execute and deliver (or, where applicable, cause to be delivered) on the Equipment Closing Date the following documents in place of the documents described in Subsection 4.07(a):

(i) Certification by a duly authorized representative of Optionor that all necessary corporate action has been taken to authorize the Owner Trustee's completion of the transactions contemplated under this Agreement;

(ii) An opinion of counsel to Optionor, in form and substance satisfactory to Optionee, to the effect that Optionor has full power, authority and legal right to authorize the execution and delivery of the bill or bills of sale referred to in Section 4.04 of this Agreement and has duly authorized the execution and delivery of such bill or bills of sale by the Owner Trustee; and

(iii) An opinion of counsel to the Owner Trustee, in form and substance satisfactory to Optionee, and the Owner Trustee, and at Optionee's expense, to the effect that

(x) The Owner Trustee has full power, authority and legal right to execute and deliver the bill or bills of sale referred to in Section 4.04 of this Agreement;

(y) The Owner Trustee has duly authorized, executed and delivered such bill or bills of sale; and

(z) Such bill or bills of sale convey such title to Optionee free and clear of all

liens, security interests and other encumbrances arising through the Optionor, the Owner Trustee, the Agent or the Vendor, except for liens Optionee is responsible for or is required to clear under the fourth paragraph of Section 12 of the Lease, and free and clear of the security interest created under Article 5 of the Security Document (without any other recourse, representations or warranties).

(c) Optionee shall on the Equipment Closing Date cause to be performed the following:

(i) Optionee shall pay the Purchase Price in cash by wire transfer to Optionor (or to the Owner Trustee if the Owner Trustee is the seller) computed in accordance with the provisions of Section 4.02;

(ii) Optionee shall execute and deliver certified resolutions of Optionee in form and substance reasonably acceptable to Optionor authorizing the purchase of the Equipment pursuant to this Agreement; and

(iii) Optionee shall deliver an opinion of counsel, in form and substance satisfactory to Optionor, to the effect that

(x) Optionee has full power, authority and legal right and is duly authorized to purchase the Equipment and deliver the purchase price therefor;

(y) No consent, approval or authorization of any governmental authority is required in order to complete the sale of the Equipment to Optionee; and

(z) All filings required by all governmental authorities in connection with the sale of the Equipment including, without limitation, the Interstate Commerce Commission, have been completed.

(d) Optionee shall pay any and all Taxes (as defined in Section 6 of the Lease), including sales taxes, resulting from the sale of the Equipment to Optionee, except that Optionee shall not pay taxes based on, or measured by the net income of Optionor or the Trust Estate.

Section 4.08. Filings. (a) Optionee shall be responsible for preparing and filing any and all documents required under applicable federal, state or local law (includ-

ing Section 11-303(a) of the Interstate Commerce Act or any successor provision thereto) to convey title to the Equipment as required hereunder on the Equipment Closing Date.

(b) Optionor shall be obliged to execute (or to cause the Owner Trustee to execute) such documents submitted to it by Optionee as may be reasonably required to so convey such title.

ARTICLE V

Section 5.01. Agreement Authorized by Optionee.
As of the Agreement Date, Optionee represents and warrants to Optionor as follows:

(a) Optionee is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware; and

(b) Optionee has full power, authority and legal right to execute, deliver and perform its obligations under this Agreement and the Lease Renewal Letter, and has duly authorized, executed and delivered this Agreement and the Lease Renewal Letter.

Optionee shall deliver to Optionor an opinion of counsel to such effect and further to the effect that, assuming the due authorization, execution and delivery of this Agreement by all of the other parties hereto, and assuming that each such party has the corporate power and authority to execute, deliver and perform this Agreement and that the execution, delivery and performance of this Agreement by each such party do not violate its respective charter or by-laws and fully comply with all laws and governmental rules and regulations (federal, state or otherwise) that may be applicable to it, this Agreement and the Lease Renewal Letter constitute valid, legal and binding obligations of Optionee enforceable against Optionee in accordance with their respective terms.

Section 5.02. Agreement Authorized by Optionor.
As of the Agreement Date, Optionor represents and warrants to Optionee as follows:

(a) Optionor is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware; and

(b) Optionor has full power, authority and legal right to execute, deliver and perform its obligations under this Agreement, and has duly authorized, executed and delivered this Agreement.

Optionor shall deliver to Optionee an opinion of counsel to such effect and further to the effect that, assuming the due authorization, execution and delivery of this Agreement by all of the other parties hereto, and assuming that each such party has the corporate power and authority to execute, deliver and perform this Agreement and that the execution, delivery and performance of this Agreement by each such party do not violate its respective charter or by-laws and fully comply with all laws and governmental rules and regulations (federal, state or otherwise) that may be applicable to it, this Agreement constitutes a valid, legal and binding obligation of Optionor enforceable against Optionor in accordance with its terms.

Section 5.03. Brokerage. Optionor and Optionee represent each to the other that each has not dealt with any broker or finder in connection with the transaction contemplated under this Agreement other than Macdonald & Company. Optionor and Optionee shall each indemnify and hold the other harmless from and against any loss, claim, liability and expense (including, without being limited to, reasonable attorneys' fees) incurred by, imposed upon or payable by the indemnified party in connection with claims of any brokers or persons for commissions or finders fees upon or in connection with said sale where such claims arise from the communications or actions of the indemnifying party. The provisions of this Section 5.03 shall survive the Equipment Closing or earlier termination of this Agreement.

Section 5.04. Notices. Except as provided in Section 2.03, any notices or other communications required or permitted hereby shall be given in writing and mailed, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service, to Optionor or Optionee, as applicable, at the appropriate address set forth above in the first paragraph of this Agreement. Notices sent by mail shall be deemed given on the third business day after the same shall be deposited for mailing with the United States Postal Service.

Section 5.05. No Effect on Lease. The Lease shall remain in full force and effect, unamended and unmodified except as expressly set forth herein.

Section 5.06. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 5.07. Entire Agreement. This Agreement, Exhibit A hereto, and all documents and agreements to be delivered pursuant hereto, constitute the entire agreement between the parties with respect to the purchase and sale of the Equipment pursuant to a fixed price purchase option and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof; provided, however, that this Agreement shall not affect any existing renewal or purchase options contained in the Lease. Neither this Agreement nor Exhibit A attached hereto may be amended or modified or canceled except pursuant to the terms hereof or thereof or an instrument in writing signed by the parties hereto or thereto.

Section 5.08. Further Assurances. In addition to the obligations required to be performed hereunder by the parties at the Equipment Closing or the Option Agreement Closing, the parties agree from time to time after the Equipment Closing or the Option Agreement Closing to perform such other acts, and to execute, acknowledge and deliver such other instruments, documents and other materials as either party may reasonably request or as the Owner Trustee may request in order to effectuate the consummation of the transactions contemplated hereunder.

Section 5.09. Table of Contents. The Table of Contents and Section headings in this Agreement are used in this Agreement only for convenience and shall not be used in construing this Agreement nor to limit or affect any of the provisions of this Agreement.

Section 5.10 Assignment. (a) Optionee may assign its rights or delegate its obligations hereunder without the prior written consent of Optionor; provided, however, that Optionee shall give Optionor notice of any assignment hereunder. No assignment or delegation hereof, with or without the consent of Optionor, shall relieve or in any way release or discharge Optionee from any of its obligations hereunder.

(b) The rights of Optionee hereunder shall survive any assignment by Optionor or any successor or assignee of any interest in the Equipment.

Section 5.11. Counterparts. This Agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute and be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first written above.

OPTIONOR:

SECURITY PACIFIC EQUIPMENT LEASING, INC.

By: Dancy J. Hitchens
Title: **CONTRACT ADMINISTRATOR**

OPTIONEE:

TRAILER TRAIN COMPANY

By: _____
Title: _____

Section 5.11. Counterparts. This Agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute and be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first written above.

OPTIONOR:

SECURITY PACIFIC EQUIPMENT LEASING, INC.

By: _____
Title:

OPTIONEE:

TRAILER TRAIN COMPANY

By:  _____
Title: Robert E. Zimmerman
Vice President and Treasurer.

Exhibit A

EQUIPMENT SCHEDULE

<u>Type</u>	<u>Builder's Specifications</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Unit Base Price</u>	<u>Total Base Price</u>	<u>Serial Numbers (Inclusive)</u>	<u>Estimated Time and Place of Delivery</u>
Pullman Incorporated (Pullman Standard Division)							
89' 4" 70-ton hydraulic draft gear, flush deck, low level flat cars for auto rack service; AAR Mechanical Designation: FA	3217 dated 4/27/73, as amended	Bessemer, Alabama	259	\$33,446.24	\$8,662,576.16	852288, 852290 852294, 852297 852299, 852300 852304-852310 852312-852316 852318, 852320 852321, 852325 852327-852330 852332-852447 852449-852519 852521-852566	Prior to December 30, 1977, at Bessemer, Alabama

[Letterhead of Trailer Train]

September 15, 1986

First Security State Bank
P.O. Box 30007
Salt Lake City, Utah 84125
Attention: Corporate Trust Division

Re: Exercise of First Renewal Option Under Lease
of Railroad Equipment (No. 2) Dated
as of August 1, 1977 (the "Lease")

Dear Sirs:

Pursuant to Section 13 of the above referenced Lease between First Security State Bank ("Lessor"), and Trailer Train Company ("Lessee"), Lessee hereby notifies you of its election to renew the Lease for an additional period of four years commencing January 1, 1994.

The rental for this period, as set forth in Section 13, is set at 1.8782% of the Purchase Price (as defined in the Lease) of each unit, payable semi-annually in arrears, with the first payment due July 1, 1994. Our records reflect that currently there are 455 units remaining at a cost of \$16,189,607.28. If no other units are destroyed before January 1, 1994, the semi-annually amount payable will be \$304,073.20.

Lessee's election to renew the Lease shall become effective only upon and simultaneously with the execution, delivery and closing of the Equipment Option Agreement dated as of the date hereof between Security Pacific Equipment Leasing, Inc. and the Lessee.

Sincerely,

Trailer Train Company

By: _____